United States District Court
Southern District of New York

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC#
DATE FILED: 9/11/2014

John Olagues...
In proper person,
on behalf of the shareholders of J.P. Morgan Chase
413 Sauve Rd
River Ridge La 70123
olagues@gmail.com
504-875-4825

SEP 11 2014
PRO SE OFFICE

Case # 14 CV 4872
Judge Gregory H. Woods

v.

James Dimon, Chairman and CEO Director of J.P.Morgan Chase

Response to the Order to Show Cause why this Action Should not be Dismissed for lack of Counsel entered on 8/28/2014.

This suit is a suit by Plaintiff, Mr. Olagues to enforce a Federal Statute, Section 16 (b) of the Securities Act of 1934. It is therefore a **private right of action** and Section 16 b) explicitly makes it **a private right of action.**

Below is Section 16 b)

15 U.S. Code § 78p - Directors, officers, and principal stockholders

(b) Profits from purchase and sale of security within six months

For the purpose of preventing the unfair use of information which may have been obtained by such beneficial owner, director, or officer by reason of his relationship to the issuer, any profit realized by him from any purchase and sale, or any sale and purchase, of any equity security of such issuer (other than an exempted security) or a security-based swap agreement involving any such equity security within any period of less than six months, unless such security or security-based swap agreement was acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the issuer, irrespective of any intention on the part of such beneficial owner, director, or officer in entering into such transaction of holding the security or security-based swap agreement purchased or of not repurchasing the security or security-based swap agreement sold for a period exceeding six months. **Suit to recover such profit may be instituted at law or in equity in any court of competent jurisdiction by the issuer, or by the owner of any security of the issuer in the name and in behalf of the issuer if the issuer shall fail or refuse to bring such suit within sixty days after request or shall fail diligently to prosecute the same thereafter;** but no such suit shall be brought more than two years after the date such profit was realized. This subsection shall not be construed to cover any transaction where such beneficial owner was not such both at the time of the purchase and sale, or the sale and purchase, of the security or security-based swap agreement or a security-based swap involved, or any transaction or transactions which the Commission by rules and regulations may exempt as not comprehended within the purpose of this subsection.

The highlighted part, without question gives a private right of action to a shareholder such as Olagues to enforce the recovery of profits made by an officer of a public company in violation of

Section 16b. Such profits are to inure to and be recoverable by the issuer not to a separate fund to be distributed to the shareholders.

In the case of Executive Telecard, LTD v. Mayer 941 F. Supp 435 (1996) SDNY on page 437, the court clearly stated " Congress expressly granted a private right of action in section 16 (b)".

Also the Commissioner of the SEC Elisse B. Walter on November 8, 2011 in Remarks before the FINRA Institute at Wharton stated;

" In the Securities Act of 1934, Congress also provided expressly for private rights of action... to recover short-swing trading profits of corporate insiders"

In the Duke Law Journal the following was stated (vol 1969 pg 805)

Although a 16(b) shareholder suit is not a common law derivative action because its purpose is to recover a penalty payable to the corporation rather than a fund belonging to it, courts have held that in certain circumstances following a 16(b) violation, a derivative right to recover counsel fees is created for the benefit of parties who prosecute or help to prosecute the violation."

The U.S. Supreme Court in

KEITH R. GOLLUST, ET AL.,PETITIONERS V. IRA L. MENDELL, ET AL. No. 90-659

In The Supreme Court Of The United States

October Term, 1990

The court stated:

"Section 16(b) plays a significant role in protecting against the misuse of inside information in the securities markets. Because of the ease with which corporate insiders and major shareholders can exploit informational advantages, Section 16(b) erects a strict, prophylactic rule that captures short-swing profits for the benefit of the issuer. Because only the issuer and its security holders -- not the SEC -- may institute actions under Section 16(b), it is particularly important that the deterrent force of that provision not be diluted. /1/ Accordingly, the Commission has a strong interest in ensuring that the effectiveness of Section 16(b) is not jeopardized by unduly restrictive standing requirements imposed on security owner suits".

No court has ever ruled that a 16 b suit is a derivative suit. And no court has ever ruled that a Shareholder can not enforce 16 b by proceeding pro se. In fact, the 9th Circuit Court of Appeals allowed a 16 b suit to proceed by a pro se litigant

There are private rights of actions filed by pro se litigants all the time, some successful, some not. But there has never been a case dismissed which is truly a private right of action, which this suit against James Dimon is, because the plaintiff proceeded pro se.

If this suit was a derivative action where the plaintiff was a pro se shareholder claiming to represent the shareholders, then the situation would be entirely different. Olagues is not representing any shareholders or the issuer JPM Chase.

There is no question that Olagues was an owner of shares at the time of filing this 16 b suit and is now the owner of JPMC shares. Olagues, gave demands to Dimon to return the profits made in violation of 16b to the issuer. Olagues gave written demands to the issuer JPM Morgan via letters to Anthony Horan , Corporate secretary of JPMC to force the payments of profits to JPMC. These demands were made more than 60 days prior to the filing of the suit.

No official or attorney for JPM Chase or Dimon gave Olagues any creditable reason or law that his 16 b private right of action suit against Dimon was not consistent with 16b or related law.

The violations of 16 b consisting of a non exempt buy of 500,000 shares of JPMC stock on July 19 and 20 , 2012, were matched against non exempt sales of JPMC stock on March 2, 2012 and Jan 13, 2013.

Furthermore, this 16 b suit and the Request for Judicial Notice filed in this court illustrate with 100% certainty that Mr. Dimon violated 16 b and owes $3.8 million to the issuer JP Morgan Chase. Olagues has had several discussions with an attorney from Sullivan and Cromwell, which has represented JP Morgan Chase in previous litigation and is now allegedly representing Mr. Dimon in an adversarial position to JP Morgan Chase. The attorney has not shown one fact or case law in our discussions which diminish the claim of violations of 16 b.

No attorney who examined the case ever offered any reason that the arguments made in the suit were not. supported by the facts or relevant law.

The Plaintiff, Olagues, is highly experienced in the business of options and equity compensation, as he was the foremost options trader in the world as a member of the CBOE and the Pacific Stock Exchange for 10 years. He has also authored the book "Getting Started in Employee Stock Options" published by Wiley

& Sons in 2010. The book is the only book on how managers and other grantees of Employee Stock Options can efficiently manage their grants of ESOs.

He is the only person with expert credentials in both the arena of traded options and employee stock options.

Respectfully Submitted:

John Olagues

United States District Court
Southern District of New York

John Olagues…
In proper person,
on behalf of the shareholders of J.P. Morgan Chase
413 Sauve Rd
River Ridge La 70123
olagues@gmail.com
504-875-4825

Case # 14 CV 4872
Judge Gregory H. Woods

v.

James Dimon, Chairman and CEO Director of J.P.Morgan Chase

Certificate of Service

This certifies that John Olagues Pro Se Plaintiff in this private right of action under Section 16 b of the Securities Act of 1934, where he does not "represent" anyone other than himself, has served a copy of this Response to the order to Show Cause entered on 8/28/2014, upon Mr. Andrew Finn of Sullivan and Cromwell, attorney allegedly representing James Dimon CEO of JPMC. Mr. Finn has been served by certified mail return receipt requested from New Orleans La. 70119 at his office at 125 Broad Street, New York, NY 10004-2498.

Mr Finn has also agreed to waive formal service and Olagues , Pro se , submits the attached copy of Waiver of Service of Summons.

Respectfully Submitted:

[signature]

John Olagues

AO 399 (01/09) Waiver of the Service of Summons

UNITED STATES DISTRICT COURT

for the

Southern District of New York

John Olagues Pro on behalf of Shareholders of JPMC
Plaintiff
v.
James Dimon CEO of JP Morgan Chase
Defendant

Civil Action No. 14 CV 4872

WAIVER OF THE SERVICE OF SUMMONS

To: John Olagues
(Name of the plaintiff's attorney or unrepresented plaintiff)

I have received your request to waive service of a summons in this action along with a copy of the complaint, two copies of this waiver form, and a prepaid means of returning one signed copy of the form to you.

I, or the entity I represent, agree to save the expense of serving a summons and complaint in this case.

I understand that I, or the entity I represent, will keep all defenses or objections to the lawsuit, the court's jurisdiction, and the venue of the action, but that I waive any objections to the absence of a summons or of service.

I also understand that I, or the entity I represent, must file and serve an answer or a motion under Rule 12 within 60 days from 07/18/2014, the date when this request was sent (or 90 days if it was sent outside the United States). If I fail to do so, a default judgment will be entered against me or the entity I represent.

Date: 8/8/2014

Signature of the attorney or unrepresented party

James Dimon
Printed name of party waiving service of summons

Andrew J. Finn
Printed name

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
Address

finna@sullcrom.com
E-mail address

(212) 558-4081
Telephone number

Duty to Avoid Unnecessary Expenses of Serving a Summons

Rule 4 of the Federal Rules of Civil Procedure requires certain defendants to cooperate in saving unnecessary expenses of serving a summons and complaint. A defendant who is located in the United States and who fails to return a signed waiver of service requested by a plaintiff located in the United States will be required to pay the expenses of service, unless the defendant shows good cause for the failure.

"Good cause" does *not* include a belief that the lawsuit is groundless, or that it has been brought in an improper venue, or that the court has no jurisdiction over this matter or over the defendant or the defendant's property.

If the waiver is signed and returned, you can still make these and all other defenses and objections, but you cannot object to the absence of a summons or of service.

If you waive service, then you must, within the time specified on the waiver form, serve an answer or a motion under Rule 12 on the plaintiff and file a copy with the court. By signing and returning the waiver form, you are allowed more time to respond than if a summons had been served.

John Al
413 Sauve Rd.
River Ridge LA.
70123

U.S. POSTAGE
PAID
NEW ORLEANS.LA
70119
SEP 08, 14
AMOUNT
$5.33
00021040-07

UNITED STATES POSTAL SERVICE
1000
10007

USM P3 SDNY

United States Dist. Court.
of the Southern Dist of N.Y.
Pro Se Intake Unit.
United States Courthouse
500 Pearl Street Rm 200
New York, New York.
10007

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL®
7014 2120 0001 9237 6036